



MEMORANDUM

Agenda Item No. 11(B)5

TO: Honorable Chairperson Barbara Carey-Shuler,
Ed. D. and Members, Board of County
Commissioners

DATE: October 19, 2004

FROM: George M. Burgess
County Manager

SUBJECT: Report on Special
Risk Retirement
Credits

At the June 15, 2004 Public Safety Committee (PSC) meeting, Commissioners Natacha Seijas and Sally A. Heyman requested staff to reassess and reconfirm that all county employees affected by the change in Special Risk definition between October 1, 1978 and July 1, 1984, for the purposes of the Florida Retirement System (FRS), were being captured and accounted for by Risk Management. Upon further review by the Miami-Dade Police Department (MDPD) and the Miami-Dade Corrections and Rehabilitation Department (MDCR), the information reported in Item 8B, *Report on Special Risk Retirement Credits*, on the May 18, 2004 PSC agenda remains current. Furthermore, MDCR has confirmed that all classifications on the report are correct and that the County has no classification for Corrections Probation Officer.

At the May 18, 2004 PSC staff provided the following information:

- At the April 20, 2004 Public Safety Committee meeting, Commissioner Seijas sponsored a resolution directing the County Manager to seek reclassification of Miami-Dade Police Department employees who were enrolled in academy classes between October 1, 1978 and July 1, 1984 as special risk for the purposes of the Florida Retirement System (FRS).
- At the request of Commissioner Heyman, staff reviewed other special risk classifications and determined that the same situation applies to correctional officers who attended academy during the same period of time.

FRS Statutes

- Effective October 1, 1978, the definition of special risk was changed by FRS to require that law enforcement officers and correctional officers must be certified in accordance with F.S. 943.14, and F.S. 944.595 respectively in order to receive special risk retirement credit. Since law enforcement officers and correctional officers in the academy classes during that time period were not yet certified, they were not eligible to receive special risk retirement credit.
- On the other hand, the definition for firefighters included the language "certified, or required to be certified." Therefore, firefighters enrolled in academy classes were able to receive special risk retirement credit for that period because they were "required to be certified."

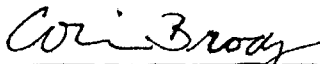
- On July 1, 1984, the statutes pertaining to law enforcement and correctional officers were revised to "certified, or required to be certified." At that time, FRS did not change the requirements for the period of October 1, 1978 through June 30, 1984 and according to FRS, there is no statutory authority to approve Special Risk membership for employees that were reported under regular class during this period.
- Allowing Special Risk membership for employees in this situation will require legislative action by the State.

Staff Findings

- Miami-Dade County may urge the legislature to take appropriate action to modify the definition of special risk during this period; however, barring legislative action, the County is not able to effect reclassification of the employees in question.
- Based on the information provided by MDCR and MDPD, approximately 875 law enforcement officers and 528 correctional officers are affected by the change in the Special Risk definition. These numbers remain the same as previously reported.
- Based on the salary information provided by MDCR and MDPD for the period in question, it is estimated that the difference in premium contributions for law enforcement personnel is \$167,000 and \$67,000 for correctional officers.
- In addition, FRS will add 6.5 percent interest compounded annually for each individual from the time the service was earned to the time service is purchased.
- Therefore as previously reported, the estimated cost to the County will be \$940,000, should the required legislative action authorize this purchase.

In order to obtain the exact dollar amounts of the buy backs, including interest, FRS would be required to perform the calculation for each individual. FRS has advised staff that they will not perform these calculations until such time that there was supporting legislation because of the staff-hours involved.

If the Board passes a resolution urging the State to support this legislation, staff is prepared to add this to next year's legislative priorities, work with FRS to calculate the cost per employee and work towards identifying the funds to purchase the difference in premium contributions.


for Susanne M. Torriente
Assistant County Manager

